

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF
NORPHLET CHEMICAL INC.

I, David W. Henry, the secretary of the Board of Directors of Norphlet Chemical Inc, a corporation duly organized and validly existing under the laws of the State of Arkansas ("Corporation"), do hereby certify that a meeting of the Board of Directors of the Corporation was duly called and held at the plant on July 17, 2008, in accordance with the Corporation's Articles of Incorporation and the By-Laws and the laws of the State of Arkansas and which said meeting John Garrison, William Spector, Fred Bates, Scott Reed, Charles L. Long, Robert James, Jim Crotty, Don Dodson and Evert Talbot, being ten (10) of eleven (11) members of the Corporation's Board of Directors were in attendance. Board member W.L. Cook arrived after the financial statements were reviewed. Board member Jesse Spector was not present. Also in attendance were Brian Brooks, Scott Carter, Nelson Abell and Jim Beachboard.

David Henry welcomed the board and asked Scott Reed to open the meeting in prayer. David Henry then roll called the Board members individually for those in attendance.

David Henry presented the Board minutes of the April 16, 2008 Board meeting, which had been sent to each Board member in advance of this meeting. He said there was one amendment on page 3. The phrase "not more that" in the second line of the first paragraph should read "not more than". Jim Crotty made a motion to approve the minutes as amended with Robert James seconding. David Henry then asked if there was any discussion. There was no discussion. The minutes were approved by a vote of eight (8) Directors voting in favor of the motion and one (1) Director, John Garrison abstaining from voting on the motion. The Directors were polled individually as to their vote. David Henry then presented the June 30, 2008 preliminary financial statements. He note the miscellaneous income on the financial statements is form the sale of scrap metal and that the sales so far in July totaled approximately \$6,000.00 He said that he has received the audit of the financial statements ending December 31, 2007 and that we received an unqualified opinion from the independent auditors. He gave each of the Board members a copy of the audit report. David Henry asked if there was any additional discussion. There was no discussion. Fred Bates made a motion to approve the financial statements as presented with Robert James seconding. . The motion was adopted by a vote of eight (8) Directors voting in favor of the resolution and two (2) Directors, John Garrison and W.L. Cook abstaining from voting on the motion. The Directors were polled individually as to their vote.

David Henry then presented Board Resolution #1:

“BE IT RESOLVED by the Board of Directors of Norphlet Chemical Inc. (“CORPORATION”), that pursuant to resolutions adopted and approved by the Corporation’s Board of Directors on January 17, 2008 and April 16, 2008, David W. Henry, the Chief Financial Officer of the Corporation, was, among other things, authorized and directed to borrow funds on behalf of the Corporation in the total principal amount of not more than \$4,000,000.00 (said amount being collectively referred to in the aforesaid resolution of April 16, 2008 and hereinafter as the “New Borrowings”) to be used by the Corporation for the purpose of completing the design, construction, cleanup, and operation of the Corporation’s plant located in Norphlet, Arkansas, and allowing such plant to produce commercial grade HFC-134a and HCL (said purpose being collectively referred to in the aforesaid resolution of April 16, 2008 and hereinafter as the “Purpose”).”

“BE IS FURTHER RESOLVED that the Board of Directors of the Corporation having determined that additional funds in excess of the New Borrowings are needed by the Corporation to accomplish the Purpose. David W. Henry, the Chief Financial Officer of the Corporation, is authorized and directed to borrow funds on behalf of the Corporation, and all in addition to the New Borrowings, in a total principal amount of not more than \$3,000,000.00 (said additional amount being herein collectively referred to as “Additional Borrowings”) to be used by the Corporation for the Purpose: provided the total amount of the New Borrowings and Additional Borrowings shall be \$7,000,000.00”

“BE IT FURTHER RESOLVED that the said David W. Henry is authorized and directed to execute and enter into on behalf of the Corporation all agreements, instruments, documents, and certificates in connection with the Additional Borrowings, and to do all things and take all steps which the said David W. Henry deems necessary or appropriate to obtain the Additional Borrowings and to accomplish the Purpose.”

W.L. Cook made a motion to approve Board Resolution #1 as amended. Scott Reed seconded the motion. David Henry then asked if there was any discussion. John Garrison asked if there was a list of the specific items and their cost for the requested increase in the loan amount. David Henry said that there was not a list of specific items, but we have spent nearly \$3,000,000.00 of the \$4,000,000.00 approved by the Board in April and the construction phase of the project has not yet started. The resolution was adopted by a vote of nine (9) Directors voting in favor of the resolution and one (1) Director, John Garrison voting against the resolution. The Directors were polled individually as to their vote.

Evert Talbot said that Phase I of the Iikubo contract was complete and that the contract for Phase II was in draft as of today. He said that we have done a purchase order for Hunt Guillot of Ruston to do the engineering work on the plant and that we have had discussion with Systems Contracting to be the general contractor on the construction

work to the plant. Fred Bates asked if there would be guarantee language in the Phase II contract with Iikubo. Evert Talbot said that Iikubo's attorney has removed any of the guarantee language from the contract and that the goal of the new design is to get into production as soon as possible using as much of the current equipment as possible. Evert said the initial production will be 13.4 to 15.0 million pounds per year and that the capacity can be increased to 25.0 to 30 million pounds with another reactor. Fred Bates then asked about Tulstar and the .51 per pound tolling fee. Brian Brooks said that we have met with Tulstar to discuss a possible increase in the tolling fee. Evert Talbot said that Systems Contracting should be contacting us on Monday or Tuesday about an answer to their being able to do the construction work. He then said we have started the patent process for the new design of the plant. John Garrison asked if he could see the drawings of the new design. Bob James said that until the patent work is completed that the drawings will be seen only the ones who need to be directly involved in process. John Garrison then asked how the Board would be able to give advise on the plan without seeing the drawings. Bob James said that we will depend on the expertise of Iikubo and Hunt Guillot for the completion of the project. Fred Bates gave the names of people who might have the technical drawings on the concrete pad that Hunt Guillot has asked for in their work on the plant design.

David Henry then asked if there was any other business to come before the Board. There was no response.

David Henry then asked for a motion to adjourn the meeting. W.L. Cook made the motion and Don Dodson seconded the motion. It was approved by all ten (10) of the Directors present. The Directors were polled individually as to their vote.

With no other business, the meeting was adjourned.

Respectfully submitted

David W. Henry
Secretary of the Board